

**ALASKA STATE LEGISLATURE  
HOUSE SPECIAL COMMITTEE ON FISHERIES**

March 30, 2021

10:03 a.m.

**MEMBERS PRESENT**

Representative Geran Tarr, Chair  
Representative Louise Stutes, Vice Chair  
Representative Jonathan Kreiss-Tomkins  
Representative Andi Story  
Representative Dan Ortiz  
Representative Kevin McCabe

**MEMBERS ABSENT**

Representative Sarah Vance

**OTHER LEGISLATORS PRESENT**

Representative Mike Cronk

**COMMITTEE CALENDAR**

HOUSE BILL NO. 28

"An Act relating to the registration of commercial vessels; and providing for an effective date."

- MOVED CSHB 28(FSH) OUT OF COMMITTEE

HOUSE BILL NO. 41

"An Act relating to management of enhanced stocks of shellfish; authorizing certain nonprofit organizations to engage in shellfish enhancement projects; relating to application fees for salmon hatchery permits and shellfish enhancement project permits; allowing the Alaska Seafood Marketing Institute to market aquatic farm products; and providing for an effective date."

- MOVED HB 41 OUT OF COMMITTEE

HOUSE BILL NO. 54

"An Act establishing the Alaska Invasive Species Council in the Department of Fish and Game; relating to management of invasive species; relating to invasive species management decals; and providing for an effective date."

- BILL HEARING CANCELED

**PREVIOUS COMMITTEE ACTION**

BILL: HB 28

SHORT TITLE: REGISTRATION OF BOATS: EXEMPTION

SPONSOR(s): FISHERIES

02/18/21	(H)	PREFILE RELEASED 1/8/21
02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	FSH, FIN
03/12/21	(H)	BILL REPRINTED
03/23/21	(H)	FSH AT 11:00 AM GRUENBERG 120
03/23/21	(H)	Heard & Held
03/23/21	(H)	MINUTE(FSH)
03/25/21	(H)	FSH AT 10:30 AM GRUENBERG 120
03/25/21	(H)	-- MEETING CANCELED --
03/30/21	(H)	FSH AT 10:00 AM GRUENBERG 120

BILL: HB 41

SHORT TITLE: SHELLFISH PROJECTS; HATCHERIES; FEES

SPONSOR(s): ORTIZ

02/18/21	(H)	PREFILE RELEASED 1/8/21
02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	FSH, FIN
03/25/21	(H)	FSH AT 10:30 AM GRUENBERG 120
03/25/21	(H)	-- MEETING CANCELED --
03/30/21	(H)	FSH AT 10:00 AM GRUENBERG 120

**WITNESS REGISTER**

THATCHER BROUWER, Staff  
Representative Geran Tarr  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of the bill sponsor, the House Special Committee on Fisheries, on which Representative Tarr serves as chair, provided answers to questions asked at the previous hearing of HB 28, on 3/23/21.

DALE KELLEY, Commissioner  
Commercial Fisheries Entry Commission (CFEC)  
Juneau, Alaska

**POSITION STATEMENT:** During the hearing on HB 28, testified in support of Amendment 1.

HEATHER MCCARTY, Chair  
Alaska Mariculture Task Force;  
Representative  
Central Bering Sea Fishermen's Association (CBSFA);  
Representative  
Alaska King Crab Research, Rehabilitation and Biology (AKCRRAB)  
Program  
Juneau, Alaska  
**POSITION STATEMENT:** Provided invited testimony in support of HB 41.

SAMUEL RABUNG, Director  
Division of Commercial Fisheries  
Alaska Department of Fish and Game (ADF&G)  
Juneau, Alaska  
**POSITION STATEMENT:** Provided invited testimony in support of HB 41.

GINNY ECKERT, PhD, Director  
Alaska Sea Grant  
University of Alaska  
Juneau, Alaska  
**POSITION STATEMENT:** Provided invited testimony in support of HB 41.

JEREMY WOODROW, Executive Director  
Alaska Seafood Marketing Institute (ASMI)  
Juneau, Alaska  
**POSITION STATEMENT:** Provided invited testimony in support of HB 41.

JULIE DECKER, Executive Director  
Alaska Fisheries Development Foundation (AFDF)  
Wrangell Alaska  
**POSITION STATEMENT:** Testified in support of HB 41.

NANCY HILLSTRAND, Owner  
Pioneer Alaskan Fisheries  
Homer, Alaska  
**POSITION STATEMENT:** Expressed her concern that there are deficiencies in HB 41.

ANGEL DROBNICA, Director  
Fisheries and Government Affairs  
Aleutian and Pribilof Community Development Association (APICDA)  
Juneau, Alaska  
**POSITION STATEMENT:** Testified in support of HB 41.

## **ACTION NARRATIVE**

[10:03:04 AM](#)

**CHAIR GERAN TARR** called the House Special Committee on Fisheries meeting to order at 10:03 a.m. Representatives McCabe, Story, Kreiss-Tomkins, Ortiz, and Tarr were present at the call to order. Representative Stutes arrived as the meeting was in progress. Representative Cronk was also present.

CHAIR TARR shared that when a committee sets a deadline, Legislative Legal and Research Services uses that deadline to prioritize the work. When exceptions are made it makes it difficult for the agency to be able to best prioritize its workload. She pointed out that with the committee having Tuesday and Thursday meetings, it makes for having to do a quick turnaround and for getting amendments done on time.

### **HB 28-REGISTRATION OF BOATS: EXEMPTION**

[10:05:15 AM](#)

CHAIR TARR announced that the first order of business would be HOUSE BILL NO. 28, "An Act relating to the registration of commercial vessels; and providing for an effective date."

CHAIR TARR drew attention to several supporting documents in the committee packet that answer some of the questions asked at the bill's last hearing: 2019 Division of Motor Vehicles Frequently Asked Questions information sheet that explains which boats are exempt from the registration and/or titling requirement; report from Conor Bell, Analyst, Legislative Finance Division, on how vessel receipts are used; Legislative Finance Boat Receipts Allocation Summary; and Legislative Finance Boat Receipts Fund Source Report.

[10:06:43 AM](#)

THATCHER BROUWER, Staff, Representative Geran Tarr, Alaska State Legislature, on behalf of the bill sponsor, the House Special Committee on Fisheries, chaired by Representative Tarr, provided answers to questions asked at the previous hearing of HB 28, on 3/23/21. In regard to a question from Representative Kreiss-Tomkins about which boats are exempt from registration, he reported that the boats permanently exempt from registration are lifeboats, boats with no source of power, a boat registered in

another state or country that is not operated for more than 90 [consecutive] days in Alaska, as well as a foreign documented boat. Boats exempt from titling include [an undocumented] boat less than 24 feet in length, a boat of any length documented with the U.S. Coast Guard, or a documented vessel that is also exempt from state numbering.

MR. BROUWER, regarding questions about where the vessel receipts go, drew attention to the information provided by Conor Bell, Legislative Finance Division [dated 3/24/21]. He related that the total of vessel receipts collected in fiscal year 2020 (FY 20) was approximately \$505,000 and the total of titling was approximately \$20,000. Of that, \$300,000 went to boating safety programs within the Department of Natural Resources (DNR), and about \$197,000 went to the Department of Commerce, Community and Economic Development (DCCED) for the Alaska Marine Safety Education Association which runs a number of boating safety programs for commercial and recreational boaters. The \$27,603 remainder went to the derelict vessel prevention program fund.

10:08:51 AM

REPRESENTATIVE KREISS-TOMKINS remarked that \$27,000 is basically nothing, but "when the bill passed there was sort of an understanding." He said he thinks there was a perception when the derelict vessel bill passed that there could be a funding source to help with cleaning up, and Alaska doesn't have one. He shared that he has been thinking about this but didn't come up with any good ideas.

CHAIR TARR stated that the aforementioned is helpful. She recalled an incident in Homer where \$100,000 had to be spent, which adds perspective to the \$27,000 that is left.

REPRESENTATIVE KREISS-TOMKINS added that Rachel from the Alaska Harbormasters Association suggested she might follow up because he was interested why the owner was not held accountable and why that still happened given this titling requirement was in place. He offered his understanding that that was what the law was seeking to solve, and his question is why it has not solved the problem, at least in the Homer incident or a similar incident a couple months ago. He stated he does not want to forestall progress on HB 28, but that mentioning it might be helpful to the committee.

MR. BROUWER said he would follow up with the Alaska Harbormasters Association and get back to the committee.

10:11:03 AM

CHAIR TARR, after ascertaining there were no further questions from committee members, stated the bill was before the committee for discussion and amendments.

10:11:12 AM

CHAIR STUTES moved to adopt Amendment 1 to HB 28, labeled 32-LS0229\A.1, Bullard, 3/24/21, which read as follows:

Page 2, line 23:

Delete "The"

Insert "Beginning January 1, 2022, the"

Page 3, line 7:

Delete all material.

Renumber the following bill section accordingly.

Page 3, line 8:

Delete "Except as provided in sec. 6 of this Act,  
this"

Insert "This"

10:11:23 AM

CHAIR TARR objected for purposes of discussion. She requested Mr. Brouwer provide the explanation for Amendment 1.

10:12:32 AM

MR. BROUWER explained Amendment 1 was drafted at the request of the Commercial Fisheries Entry Commission (CFEC) because of concern that under the bill's language CFEC would not be able to collect fees prior to the start of the calendar year. The CFEC typically bills in November and December for coming year, he continued. Amendment 1 would still state that beginning January 1, 2022, CFEC is able to charge those fees, but in Section 6 it deletes the effective date of January 1, 2022, and that is for Section 3 which allows the CFEC to collect those fees. The opinion of the Division of Legal and Research Services was that by deleting that effective date CFEC would be able to collect its fees prior to the first of the year [2022].

10:13:13 AM

DALE KELLEY, Commissioner, Commercial Fisheries Entry Commission (CFEC), offered CFEC's appreciation for bringing forward Amendment 1, and said the amendment would make it clear for the CFEC.

[10:13:35 AM](#)

The committee took an at-ease from 10:13 a.m. to 10:15 a.m. to address technical difficulties with the sound system.

[10:15:08 AM](#)

CHAIR TARR removed her objection to the motion to adopt Amendment 1. There being no further objection, Amendment 1 was adopted.

[10:15:36 AM](#)

CHAIR TARR returned to further discussion of HB 28, as amended.

[10:15:47 AM](#)

REPRESENTATIVE STUTES moved to report HB 28, as amended, with individual recommendations and the attached fiscal notes. There being no objection, CSHB 28(FSH) was reported from the House Special Committee on Fisheries.

[10:16:25 AM](#)

The committee took an at-ease from 10:16 a.m. to 10:19 a.m.

**HB 41-SHELLFISH PROJECTS; HATCHERIES; FEES**

[10:19:06 AM](#)

CHAIR TARR announced that the final order of business would be HOUSE BILL NO. 41, "An Act relating to management of enhanced stocks of shellfish; authorizing certain nonprofit organizations to engage in shellfish enhancement projects; relating to application fees for salmon hatchery permits and shellfish enhancement project permits; allowing the Alaska Seafood Marketing Institute to market aquatic farm products; and providing for an effective date."

[10:20:23 AM](#)

REPRESENTATIVE ORTIZ, as the prime sponsor, introduced HB 41. He noted that the bill nearly made it to the finish line in the last legislative session, but then was caught up in the COVID-19 pandemic issue. He paraphrased from the following written sponsor statement [original punctuation provided]:

Enhancement of Alaska's shellfish industry holds the potential of expanded economic opportunities in Alaska's coastal communities and increased resilience of the State's fisheries portfolio.

To tap this potential House Bill 41 allows qualified non-profits to pursue enhancement and/or restoration projects involving shellfish species including red and blue king crab, sea cucumber, abalone, and razor clams.

The bill creates a regulatory framework with which the Department of Fish & Game [ADF&G] can manage shellfish enhancement projects and outlines criteria for issuance of permits. It sets out stringent safety standards to ensure sustainability and health of existing natural stocks. The commissioner of ADF&G must also make a determination of substantial public benefit before a project can proceed.

In addition, the bill allows the Department of Fish & Game to set the application fee for a shellfish enhancement project permit and grants the similar authority over the application fee for a salmon enhancement project permit. This bill also amends the statutes governing the Alaska Seafood Marketing Institute's to allow ASMI to market aquatic farm products including oysters and kelp.

House Bill 41 plays an important role in the development of mariculture in Alaska by providing a method to increase the available harvest of shellfish for public use in an environmentally safe and responsible manner.

[10:23:09 AM](#)

REPRESENTATIVE STUTES commented that she is excited to see the ability for the Alaska Seafood Marketing Institute (ASMI) to



market aquatic farm products. She said she is grateful to the sponsor for this important aspect of the bill.

REPRESENTATIVE STORY concurred.

[10:23:56 AM](#)

CHAIR TARR opened invited testimony on HB 41.

[10:24:23 AM](#)

HEATHER MCCARTY, Chair, Alaska Mariculture Task Force; Representative, Central Bering Sea Fishermen's Association (CBSFA); Representative, Alaska King Crab Research, Rehabilitation and Biology (AKCRRAB) Program, provided invited testimony in support of HB 41. She stated that the Alaska Mariculture Task Force is a governor's task force that has been in existence since 2016. It was renewed by the current administration, which is very supportive. The task force started by prioritizing what needed to happen to make mariculture development in Alaska easier, better, and faster. The task force prioritized the impediments that need to be remedied by statute, regulation, science, research, and marketing.

MS. MCCARTY said passage of HB 41 is a priority of the task force for two reasons. First, from a regulatory and statutory point, work on shellfish development and culture can go no farther than it has without the bill's passage to allow for implementing regulations to be put together by the department and by the state to allow shellfish mariculture to progress to what it can be in Alaska. Second, the task force has identified marketing issues, and HB 41 would change a few words in ASMI's enabling legislation to allow ASMI to market non-wild-capture seafood products, which means mariculture products. These two aims are a priority of the Alaska Mariculture Task Force.

MS. MCCARTY spoke in favor of HB 41 on behalf of the Central Bering Sea Fishermen's Association of St. Paul Island, a group she works for that is a part of the Western Alaska Community Development Quota (CDQ) Program. She stated that [prior to the early 1980s], Pribilof residents enjoyed a robust Pribilof blue king crab fishery around the islands. The fishery contributed to the processing of crab on St. Paul, which is really the sole industry on St. Paul Island. The Trident plant there is the biggest in North America, and it processes some king crab from the Bristol Bay king crab stock, as well as snow crab. Since

the early 1980s Pribilof Island blue king crab have been so sparse that no fishery has been allowed on them. The same thing holds true for the red king crab around Kodiak, which is also so low that there hasn't had a fishery since the early 1980s. It used to support a robust industry on Kodiak and was a big part of the Kodiak economy. Ms. McCarty said she supports HB 41 on behalf of the Central Bering Sea Fishermen's Association because the goal of shellfish mariculture has been to focus on king crab culture and king crab restoration. Through the programs that have been put together, and through HB 41 allowing larger scale production of crab, the hope is to turn that around. She added that Bristol Bay king crab is also on the verge of being depleted. King crab is in trouble, she continued, and figuring out why and how is needed.

10:28:30 AM

MS. MCCARTY further spoke on in favor of HB 41 on behalf of the Alaska King Crab Research, Rehabilitation and Biology (AKCRRAB) Program, which was put together in 2006. She said it was known that crab is cultured successfully in other places in the world and is a big part of the economies of some other countries. While AKCRRAB's research program is particularly on king crab, she continued, it is recognized that the technology and understanding gained from the program can be transferred to other crab stocks. The program has successfully reared red and blue king crab to the first crab stage of life, which can then be raised to adulthood or allowed to be in the wild and become adults. The technology is there, and research has been done on every aspect of the crab lifecycle, including genetics and preferred habitat. The program has published 35 of its crab research projects in peer-reviewed journals. The program's work cannot go any farther until HB 41 is passed.

10:30:36 AM

REPRESENTATIVE MCCABE related that he lived on Kodiak in 1981 and used to catch his limit of king [crab] every day, but then they went away pretty fast. He said he heard it was overfishing and he also heard it was a parasite. If it was a parasite that created some of the stock depletion around Kodiak, he asked what is to prevent that same parasite from flourishing in a hatchery situation that puts forth king crab that then decimates the natural population.

MS. MCCARTY replied that much scientific work has been done on what happened with wild red king crab in the Kodiak area, and

most people have settled on it being overfished. She said she has not heard a theory about parasites, and deferred to Dr. Eckert for an answer regarding a parasite theory. Ms. McCarty said she doesn't believe parasites are an accepted explanation for the drop in the king crab stocks around Kodiak. As far as preventing parasites, she stated that there are so many checks and balances in every hatchery, and checks and balances through the Alaska Department of Fish and Game (ADF&G), to prevent that from occurring with any species, so it is her view that that isn't a realistic fear.

[CHAIR TARR passed the gavel to Representative Stutes.]

10:33:34 AM

SAMUEL RABUNG, Director, Division of Commercial Fisheries, Alaska Department of Fish and Game (ADF&G), provided invited testimony in support of HB 41. He noted he is also a member of the governor's Alaska Mariculture Task Force, which was established in 2016 by Governor Bill Walker and reinstated and extended by Governor Mike Dunleavy. He related that ADF&G's mission statement states that the department is to protect, maintain, and improve the fish, game, and aquatic plant resources of the state, and manage their use and development in the best interest of the economy and the well-being of the people of the state consistent with the sustained yield principle.

MR. RABUNG stated that AS 16.05.092 says, in part, that ADF&G shall encourage investment by private enterprise in the technological development and economic utilization of the fisheries resources and, through rehabilitation, enhancement, and development programs, do all things necessary to ensure perpetual and increasing production and use of the food resources of state waters and continental shelf areas. This work was under the purview of ADF&G's Fisheries Rehabilitation, Enhancement, and Development Division (FRED) until 1994 when FRED was merged with the Division of Commercial Fisheries. The Division of Commercial Fisheries still operates the pathology, gene conservation, and mark, tag, and age labs, and contracts the operation of its salmon hatcheries to private nonprofit aquaculture associations. The division provides permitting and oversight for its statewide aquaculture planning and permitting section. The section is responsible for the salmon hatchery program, the aquatic farming program, and permitting of research and educational projects statewide.

MR. RABUNG pointed out that currently in Alaska, mariculture is limited to aquatic farming, which means a facility that grows, farms, or cultivates aquatic farm products in captivity or under positive control. Aquatic farm product is considered private property just as is livestock on a terrestrial farm, and aquatic farming primarily benefits private owners and businesses. In contrast, another form of mariculture is fishery enhancement. This entails the restoration, rehabilitation, or enhancement of natural production, and this benefits the common property fisheries of subsistence, personal use, sport, and commercial, rather than private ownership. This is what would be allowed if HB 41 becomes law.

MR. RABUNG explained that restoration means restoring a stock to a location where it has been extirpated, and bringing it back to a level that can be naturally produced and sustained. Once achieved the project ceases. Rehabilitation means assisting a poorly performing stock to recover to its former level that can be naturally produced and sustained. Once achieved the project ceases. Enhancement means producing additional numbers of naturally producing stock above what it can produce in nature in order to provide additional harvestable surplus. If the project ceases, the supplemental production goes away and production of the stock reverts back to what can be naturally sustained.

10:37:00 AM

MR. RABUNG stated that an example of a mariculture restoration project is the Alaska King Crab Research, Rehabilitation and Biology (AKCRRAB) Program. This program seeks to plant juvenile king crab from nearby stocks into locations that supported these stocks until the 1980s when they were overfished. They have not recovered, even with 35 or more years of fishery closures. The only tool ADF&G has at this time to recover these stocks is to keep the fisheries closed. Passage of HB 41 would provide another tool to try.

MR. RABUNG specified that examples of mariculture rehabilitation projects include collecting adult razor clams from the east side of Cook Inlet, inducing them to spawn in a hatchery, and planting those juveniles back onto the same beaches their parents came from, as this could increase recruitment into the fishery and help that stock recover. This could also be done for hardshell clams that have been diminished in Kachemak Bay due to overharvest and sea otter depredation. Another project could be collecting and aggregating abalone in Southeast Alaska in order to increase their density and thereby their spawning

success. There are many projects that could be done under these categories, there is not a one size fits all.

MR. RABUNG said an example of a mariculture enhancement project is back-stocking sea cucumber juveniles immediately following a dive fishery. Dive fisheries typically occur on a three-year rotation, so the same site is harvested about every three years. Increasing the number of juveniles will potentially increase recruitment into the fishery and provide for increased yields. This could be done in perpetuity to produce additional or supplemental harvest.

MR. RABUNG noted that, like with Alaska's salmon fishery enhancement programs, if HB 41 passes this work would be subject to pathology, genetic, and management oversight from ADF&G. Alaska already has the most stringent aquaculture guidance in the world and is held up as the example of how to do it right in a manner that minimizes effects on natural production, and maintains the sustainability of natural production and the fisheries and people who depend on it. That will not change.

[10:39:15 AM](#)

[VICE CHAIR STUTES returned the gavel to Chair Tarr.]

[10:39:22 AM](#)

REPRESENTATIVE KREISS-TOMKINS asked why the term "genetically modified shellfish" is defined on page 9, line 24. He further asked where else the term appears in the bill.

REPRESENTATIVE ORTIZ deferred to Mr. Rabung for an answer.

MR. RABUNG responded that he doesn't have a copy of the bill in front of him. He said it is important to note that "genetically modified" is a defined term, although he doesn't know if it is defined in statute. He continued: "We would not allow, per our genetics policy, any genetic manipulation of a stock that is intended to be released into the wild. These are intended to be maintained as wild with the minimal manipulation possible."

REPRESENTATIVE KREISS-TOMKINS further observed the definition is in Section 4 of the bill, which is adding a new chapter. He presumed this is a new definition that is being added in law. He stated that Mr. Rabung's answer reflects his interest, which is that "we don't want to be genetically modifying creatures

that are going to be entering wild ecosystems." He suggested that perhaps this could be revisited with another testifier.

CHAIR TARR recounted that during [the committee's] work on genetically modified salmon, the company producing that product had several others in its queue, including shellfish. She said she has therefore always considered that a concern to watch out for. During the federal process, a couple years ago, the company removed all that material from its website as it tried to get through the approval. While she hasn't recently checked into where the company is, she has some of the company's documents from prior to that, which show a number of species the company was interested in producing in a genetically modified version.

[10:42:16 AM](#)

CHAIR TARR addressed the topic of depleted fisheries from the 1980s. She noted it is always talked about that Alaska has a strong fisheries management program and is the envy of other places. She inquired whether things were being done differently during the 1980s and whether [the management practices] of today hadn't yet been adopted. She further inquired whether there would be sustainable fisheries in those places today if things had been done in the 1980s like they are being done now.

MR. RABUNG responded:

We're always learning, and crab biology and crab management in the '80s, we learned a lot. One way that we learned what the limits are is to exceed them ... and in hindsight that's what it looks like happened in a lot of these crab stocks. So once they are fished down, then there's what we call "downward pressure" on the stock that prevents it from recovering, and that would be generally predation. Concurrent with overfishing those stocks, though, we also have what we refer to as the "regime change" when environmental conditions in the ocean shifted to benefit finfish such as pollock and flounders and things like that, whereas prior to that things were very beneficial to crab. So there was kinda two things that happened at once.

[10:44:06 AM](#)

GINNY ECKERT, PhD, Director, Alaska Sea Grant, University of Alaska, provided invited testimony in support of HB 41. She related that in addition to being the director of Alaska Sea Grant, she is a professor at the University of Alaska Fairbanks (UAF) [Juneau Center of the College of Fisheries and Ocean Sciences]. She further related that she is a shellfish expert, has been in Alaska since 2000, and has served as the science director of the AKCRRAB Program since it started.

DR. ECKERT addressed Representative Kreiss-Tomkins' question. She cited page 4, lines 21-22, of the bill, which state that [the permit holder] "not procure genetically modified shellfish or place genetically modified shellfish into the water of the state". So that important regulation is in the bill, she said.

DR. ECKERT began her testimony by thanking Representative Ortiz and the committee for working on the legislation. She noted she has testified several times in support of previous versions of this bill. Alaska has these fisheries that have been depleted, particularly king crab, she continued. These stocks crashed in the 1980s and have not recovered. The scientific evidence absolutely supports that overfishing was the cause of the decline. The fishing rates were very high back then and people didn't really understand that. There was also bycatch in trawl fisheries, which people didn't really understand as well. People just thought these crabs were unlimited. These fisheries have been closed since their crash, and the Kodiak fisheries in particular have not been fished in a very long time and they have not recovered.

DR. ECKERT specified that over the last decade she and her colleagues have published in many scientific publications, and done a variety of work on many different aspects of king crab life history. In looking at what's going on in the wild, she and her colleagues are pretty convinced that, particularly in Kodiak where much of this work has been done, these king crab are not recovering on their own. There's no natural recruitment happening, and in the case of a lack of natural recruitment, hatchery production could be one way to help restore this population. Through their work, she and her colleagues have developed methods for hatchery rearing, and done research on the genetics to better understand the genetics. It is absolutely possible to safely in very scientifically manageable ways make sure genetic concerns are addressed. These genetic concerns are absolutely valid and there are mechanisms to address them.

DR. ECKERT said some of the genetic concerns that are brought up relate salmon to crab. But, she continued, the life histories of salmon are very different from crab. Salmon reproduce in the stream where they were born, and biologically it is fascinating in that salmon are actually inbred on purpose and it works very well for them. Crab are very different, so rearing crab in hatcheries is very different as well. Animals from the wild that have reproduced in the wild would be used, and then just raised in a hatchery. All that natural selection has already happened in the wild, and so using a good number of them ensures genetic viability of these stocks.

DR. ECKERT pointed out that HB 41 is not just about king crab; this could be used on a variety of other species. Washington State has a very successful project that right now is out planting very tiny baby abalone, she said. The project is doing very well and stands as a model for the kind of work that could be done in Alaska if HB 41 is passed.

[10:48:09 AM](#)

REPRESENTATIVE STORY thanked Dr. Eckert for her work, and stated that this is critical to get going for Alaska and she hopes the bill goes through and becomes law.

CHAIR TARR noted that bycatch continues as an ongoing issue. She asked whether bycatch, environmental conditions, or predation could be connected to the lack of natural recruitment.

DR. ECKERT explained that king crab naturally aggregate together and travel around in packs. [Scientists] think much of that aggregation has to do with reproduction. If there aren't enough animals out there, there isn't that critical mass to have successful reproduction. The idea is that the stock is depressed to such a level that it's not able to naturally rebound. Even though the fisheries are closed, there still is some bycatch happening that potentially is contributing to keeping it depressed. The nature and biology of this animal is such that it's stuck in that hole, so to speak.

[10:50:40 AM](#)

JEREMY WOODROW, Executive Director, Alaska Seafood Marketing Institute (ASMI), provided invited testimony in support of HB 41. He noted ASMI is established in statute as a public-private partnership to foster the economic development of Alaska's seafood resources. It plays a key role in positioning Alaska's



seafood industry as a competitive, market driven, food production industry, and functions as a brand manager for the Alaska seafood family of brands. He said ASMI supports HB 41 in recognition of mariculture being an emerging maritime industry with tremendous opportunity for Alaska's economy.

MR. WOODROW explained that mariculture involves cultivating marine organisms in the ocean for food and other products, such as oysters, mussels, abalone, geoduck, and seaweeds like kelp. The practice does not require feed, fertilizers, herbicides, insecticides, or antibiotics, making it sustainable. Because of the economic and environmental promise, the Alaska Mariculture Task Force identified the goal to develop Alaska's mariculture production into a \$100 million per year industry in 20 years. To increase jobs and economic opportunity for fishermen and Alaskan businesses, the ASMI board of directors supports HB 41 and legislative action to allow for the marketing of mariculture products or aquatic farm products as defined in AS 16.40.199, which ASMI is currently prohibited from doing so.

MR. WOODROW stated that ASMI is joined in its support of HB 41 by the Alaska seafood industry, the Alaska Mariculture Task Force, the Alaska Shellfish Growers Association, and many new Alaskan owned and operated businesses. Mariculture presents a significant economic opportunity for Alaska, and offers the ability for seafood companies to diversify their existing product portfolios. With the support and efforts of the Mariculture Task Force, small family businesses have already proven products to be commercially viable by selling boutique products while offering fishermen opportunities to utilize their vessels, equipment, and skills during shoulder seasons.

MR. WOODROW specified that if HB 41 is passed, ASMI plans to include mariculture products in its effective and lucrative consumer retail food service and food aid marketing programs in domestic and targeted foreign markets. In efforts to ramp up dispersion in the industry, ASMI will lend the same expertise and outreach to the mariculture industry as it has to Alaska's seafood industry for 40 years. He thanked the committee for recognizing the value of Alaska's maritime economy and for its consideration of new legislation to aid economic development across Alaska's coastal communities.

[10:53:42 AM](#)

CHAIR TARR closed invited testimony and opened public testimony on HB 41.

10:54:00 AM

JULIE DECKER, Executive Director, Alaska Fisheries Development Foundation (AFDF), testified in support of HB 41. She said the bill would create a framework from which to develop shellfish enhancement and would allow ASMI to market aquatic farm products, which would help develop the new mariculture industry. The bill accomplishes two of the priority recommendations of the Alaska Mariculture Task Force, which is part of a larger plan to fully develop the mariculture industry in Alaska with the goal to grow a \$100 million per year industry in 20 years.

MS. DECKER noted that AFDF's membership is comprised of seafood harvesters, seafood processors, and support businesses. Founded in 1978, AFDF's mission is to identify opportunities common to the Alaska seafood industry, and develop efficient, sustainable outcomes that provide benefits to the economy, environment, and communities. One of the more recent opportunities that AFDF has been promoting is mariculture development in Alaska. She has served on the Alaska Mariculture Task Force since 2016.

10:55:35 AM

MS. DECKER, to keep her testimony brief, focused her comments on shellfish enhancement as an economic opportunity. She said shellfish enhancement could help diversify and expand the economies in coastal Alaska, and increase harvests for sport, subsistence, and commercial use. A recent news story stated that Alaska's salmon hatcheries in 2020 again contributed nearly 30 percent to the state's total salmon catches. Think about the possibility of this bill creating something similar - something so substantial that it could add an additional 30 percent to what is currently harvested statewide. The growth of the mariculture industry can play an important role in Alaska's economic recovery from COVID-19. Passage of HB 41 is critical to fully enabling that economic potential.

10:57:11 AM

NANCY HILLSTRAND, Owner, Pioneer Alaskan Fisheries, expressed her concern that there are deficiencies in HB 41. She said her motive for testifying is her deep concern for the wild fisheries and the lack of compliance that she sees. While many good things are going on with ADF&G, she stated, there is some lack of compliance with these same statutes in regard to salmon. She drew attention to Section 4 of HB 41 that would amend AS 16 by

adding a new chapter: Chapter 12. Shellfish Enhancement Projects. She specifically addressed Sec. 16.12.050(b) that begins on page 5, line 26, in the bill. She asked how the Board of Fisheries would be involved in making any amendments to the original hatchery permits. Right now, she maintained, the Board of Fisheries is completely disregarded in the salmon hatchery permits. Any alterations are being done through a regional planning team (RPT), she continued, and then it goes to the commissioner who is supposed to send it to the Board of Fisheries and use the administrative procedures.

MS. HILLSTRAND stated that a lot of things are missing in the bill. She said it's important to look at and understand opportunities as well as to look at and understand impacts. She referenced a paper she has on mariculture in which section 1 of the paper addresses understanding impacts and section 2 addresses understanding opportunities. The paper discusses impacts to marine species, seabed habitat, genetic diversity, detritus, and others. There are two sides to the story, she stressed, but only one side is being looked at [in HB 41], and it is important to get [the impacts] under control.

MS. HILLSTRAND said she appreciates what has been done in the lines of culture. She was a fish culturist with ADF&G for 21 years, she related, so she understands what it means to start something new because [ADF&G] started on something new in the 1970s with salmon culture. But, she added, a lot of mistakes were made. She stated that there is no framework in the bill, no comprehensive plan, which at least the salmon had as Alaska Statute (AS) 16.10.375. For example, she asked, is there going to be a regional planning team that knows about crab? Is there going to be a comprehensive plan written prior to this or this just going to be a mismatch of fragmented management and not knowing?

MS. HILLSTRAND specified that when the [salmon] hatcheries were started there were 120 people within FRED, and [the hatcheries] were created before the statutes came. She maintained that there are currently very few people in the department who understand the animal husbandry required with something like this. She noted that she sent the committee a copy of the 1991 "Alaska State Legislative Review" on the effects of hatcheries. She urged that this review, now 30 years old, be continued because a consensus is needed, and more information needs to be gathered and understood to ensure that no damage is done to Alaska's wild fisheries.

11:00:26 AM

MS. HILLSTRAND agreed there is a problem with crab not growing back, but questioned whether things could be made worse by taking out some of the brood stock. She asked whether ADF&G has staff on the ground that know about this, and whether anyone has talked to ADF&G staff in Kodiak or Adak, the actual people who would be supplying these permits for taking brood stock. She stressed the importance of finding out these answers beforehand because industry will place a lot of pressure on ADF&G's on-the-ground people.

MS. HILLSTRAND urged that a look be taken at the ecosystem repercussions and the other impacts, that a comprehensive plan is formed, and that legislative reviews on hatcheries be continued. More needs to be done than what has happened so far in a small laboratory creating crab, she said. Things need to be incremental, so there is something that puts a stopgap to stop or slow things down if necessary. She again urged the committee to look at 16.12.050(b) and the Board of Fisheries, and questioned why it isn't being used because just yesterday another law passed that bypasses the Board of Fisheries. A check and balance needs to be in in the bill and not bypassed so things can be brought up for the public to understand what going on, instead of just letting industry run off with this. She added that she would like more people to understand what this is before running with it and thinking everything is fine when there are already problems within the salmon hatchery industry.

11:02:40 AM

CHAIR TARR requested Mr. Rabung to respond to Ms. Hillstrand's suggestions. She said that when she looks at bills, she always has a concern about impacts to wild stocks for the genetics reason, but she was feeling assured by what has been presented on HB 41 so far.

11:03:13 AM

MR. RABUNG responded that he would categorize what was just heard as grossly misinformed and, because this same comment has been heard before over the years, he would say it is willfully misinformed. He stated that there have been many Department of Law opinions and interpretations of Alaska's statutes regarding Board of Fisheries authority versus commissioner's authority. It's clearly laid out in statute that the commissioner's authority is permitting, and the Board of Fisheries' authority

relates to allocation of harvest. So, that is not at question. He clarified that HB 41 does not relate to salmon hatcheries. But in response to the previous salmon hatchery assertions, he said all existing salmon hatchery programs have been reviewed for compliance with the state's statutes, regulations, and policies. Those are published and available on [the division's] website, and this has been done since about 2010 or 2011. All have been found in compliance, although some housekeeping things have been found and rectified.

MR. RABUNG said [the division] has spent a considerable amount of time in the last 10 years gaining a firm legal understanding of the statutes and regulations that guide these programs. [The division] is made up of individuals, he continued, and every individual has opinions. He said he would characterize what was happening as a misinterpretation of some of the guidance. This has since been clarified with the Department of Law and there is an affirmed understanding of the guidance and everything [the division] does is within that guidance.

MR. RABUNG continued his response. He stressed that [the division] has not seen harm from its hatchery programs despite looking for it. Assertions have been made, but [the division] can't see it, and so the salmon hatchery production has been at its current level since the mid-1990s. Three of the four record wild stock harvests in the history of the state occurred in the last 10 years, he noted. As well, there have been poor returns in other places. Salmon runs are cyclical and have ups and downs, but [the division] doesn't see a significant negative effect on natural productivity from its hatchery practices. That's not to say [the division] isn't looking for them, a lot of effort is being spent looking for these things and ensuring that if [the division] can make improvements in the program [the division] will know about it and will try to do that.

MR. RABUNG addressed the statement about a lack of oversight. He said a provision in HB 41 [Sec. 16.12.010. Permits for shellfish enhancement projects.] states that the commissioner shall consult with and solicit recommendations from federal and state agencies and technical experts in the relevant area regarding permit stipulations and issuance. So, he continued, the intention is not to do this in a vacuum but to gain all of the most valid input and assistance possible to ensure no harm is being done.

11:08:45 AM

ANGEL DROBNICA, Director, Fisheries and Government Affairs, Aleutian and Pribilof Community Development Association (APICDA), testified in support of HB 41. She noted she is a member of the Alaska Mariculture Task Force and is representing APICDA, one of the six CDQ groups whose mission is to advance fisheries-related economic development in member communities in Southwest Alaska. She said APICDA believes mariculture is very complementary to its mission and could provide opportunity for diversification in APICDA's fishing operations and businesses.

MS. DROBNICA noted that this bill has been in the queue for a number of years, and APICDA is hopeful it will make it to the finish line this session. She said APICDA believes HB 41 provides an important next step for Alaska's growing mariculture industry by allowing a regulatory pathway for enhancement projects that could result in meaningful common property opportunities to help diversify existing fishing operations and increase food security. In addition, APICDA has supported past efforts of the AKCRRAB Program, as crab fisheries are hugely important to the CDQ Program and to rural Alaska communities. The bill could provide a pathway for restoration and enhancement, particularly for some of the stocks experiencing decline right now. She encouraged the passage of HB 41.

[11:10:31 AM](#)

CHAIR TARR, after ascertaining no one else wished to testify, closed public testimony on HB 41.

[11:10:44 AM](#)

CHAIR TARR inquired whether Representative Ortiz had spoken with other committee members about the bill.

REPRESENTATIVE ORTIZ replied that he had.

CHAIR TARR related that no amendments or additional questions had been submitted to her for HB 41. She said she would therefore be comfortable with moving the bill.

[11:11:44 AM](#)

REPRESENTATIVE STORY moved to report HB 41 from committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 41 was reported from the House Special Committee on Fisheries.

11:13:07 AM

**ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Fisheries meeting was adjourned at 11:13 a.m.